

PM Formalisation of Micro food processing Enterprises Scheme

Handbook of Establishing An Enterprise



AATMANIRBHAR BHARAT

**National Institute of Food Technology, Entrepreneurship and Management
(NIFTEM) - Kundli**

(an Institute of National Importance)

Ministry of Food Processing Industries (MoFPI), Government of India

Plot no.97,Sec 56,HSIIDC Industrial Estate, Kundli - 131028

www.niftem-k.ac.in

Ph: +91-130-2281000 +91-130-2219759/64

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Chapter 1: ENTREPRENEURSHIP

Key Learning Outcomes:

At the end of this unit, you will be able to:

- Understand term Entrepreneurship
- Understand term Entrepreneurial mindset
- **Remember steps Involved in Setting up the Enterprise**
- Understand problems in setting a business

1. Entrepreneurship

Building or launching an enterprise is time and resource-consuming and requires consistent focus and dedication. You need the skillset and knowledge of various aspects.

Entrepreneurship is running a business in dynamic technological, political, cultural, social, and economic environments.

Entrepreneurship includes understanding the consumer's preferences, requirements, and behaviors and establishing the organization/company to meet consumer expectations.

You need to cover multiple activities-

- Identifying the market/customer requirements
- Creating the organization structure
- Self-employment and financial sustainability
- Optimum Utilization of the resources
- Application of innovative concepts/new technologies
- Bridging/streamlining the different aspects of the business operations

1.1 Entrepreneurial Mindset- Do you have it in YOU?

The Right Attitude-

- Take the initiative, self-motivate, drive, focus, and be determined to achieve the set targets.
- Be consistent in learning new things or from mistakes
- Have creative curiosity and an appetite to take risks.

A doer and not just a dreamer-

- Effective and efficient implementation of the concept/idea
- Put plans into action effectively.
- Acquire Product/business/market knowledge, self-discipline, and commitment.

Going the Extra Mile-

- Stay focused and determined
- Survive the process with grace
- Have resilience, persistence, and endurance.

Do you need to be a Superhero to be successful? The answer is yes because you should solve the identified problem by providing a feasible solution to the customers. You may have some of these inherent qualities. Others must learn these qualities through proper guidance, training, and experience.

With an entrepreneurial attitude and mindset, overcome the fears associated with starting an enterprise like:

1. Age –

- The right attitude, risk-taking capacity, and compelling business plan execution are more important. You can start a venture at any age. There are success stories of founders of different ages.
- The famous ones include Colonel Sanders, who invented Kentucky Fried Chicken and sold his secret formula to franchisees at 64.
- Michael Dell, the founder of Dell Computer, started the business at 13. By the time he turned 19, the computer parts business he had run out of his college dorm room was grossing \$80,000 per month.

2. Lack of funds-

You require funds to scale up a business, but lack won't be a bottleneck if you are determined—examples: Biocon and Paytm. Indian government provides grants through different schemes for innovative enterprises and start-ups to support the business initially.

3. Rejection fear-

Many successful entrepreneurs have been rejected multiple times or failed before experiencing success. With their persistence and motivation, they succeed.

4. Lack of Education or Experience-

- a) The right kind of education and experience helps the business venture's growth but doesn't ensure success.
- b) There are examples where college dropouts and homemakers have established successful businesses like Dell, Nykka and Apple.
- c) You need to learn business-specific requirements. Don't be ashamed of not knowing everything but keep learning and improving.

1.2 Steps Involved in Setting up the Enterprise

The steps are as follows:

1. Identify the business opportunity

Initial step in setting up a business is identifying opportunity. As quoted by Albert Einstein, "In the middle of every difficulty lies opportunity." As opportunities come slowly, you must be active enough to grab them. Identify the customers' needs, scan the environment, understand competitors' policies, etc.

Consider the following steps to identify the right business opportunity:

- Identify Market Inefficiencies
- Customers' Desire to Experience Something New
- Product Differentiation
- Cash Flow Considerations
- Listen to your customers.
- Look at industry trends and insights
- Remove Key Hassles
- Pick a Growing Sector/Industry
- Listen to customers' needs, frustrations, and challenges in your industry.
- Look at your competitors.

2. Generate a business idea

- The ideas providing profit for the entrepreneur, value for the customer, and benefit for society and can be transformed into products or services are called business ideas.
- Develop a critical skill of generating ideas involving insight, experience, observation, training, education, etc.
- Observe markets, prospective consumers, government organizations, and personal experience, developments in other nations, and trade fairs & exhibitions.
- Thoroughly investigate the idea and have the skill of turning those ideas into a real business.

3. Feasibility Study

- A feasibility Study contains comprehensive, detailed information about the business structure, availability of resources, and whether the business will run efficiently or not.
- After selecting a worthy idea, undertake varied research, like competition, market selection, location, capital, machinery and equipment, customer preferences, etc., to test the project's feasibility.

A feasibility study is conducted in the following areas:

- **Market/ commercial Feasibility:** The study of the market situation, current market, competition, potential buyers, anticipated future market, etc.
- **Technical Feasibility:** It involves studying technical aspects of the business, like the location, layout, foreign collaboration, infrastructure, transportation, equipment, effluent treatment and discharge, resource availability, etc.
- **Financial Feasibility:** This study helps to understand the requirement of start-up capital, return on investment, sources of capital, etc. It evaluates the finances of the business.
- **Socio-economic Feasibility:** There is social cost-benefit analysis to test national profitability.

Preparation of Feasibility Report:

- After conducting the feasibility study, a conclusion is drawn.
- It comprises the confirmation of the proposed project.
- It involves the project's technical, financial, economic, environmental, socio-cultural, and operational aspects.
- This report answers the question of whether to implement the plan.

The feasibility report contains information on:

- Viability of the venture.
- Planning realistic goals.
- Identifying possible roadblocks.
- Obtaining finance

4. Preparation of a business plan

It is an effective means of defining your goals and the steps needed to reach them.

- Prepare a good business plan, design, and create an organizational structure.
- Implement this plan to achieve realistic goals.
- A business plan is like the blueprint for how you will operate the business.

Need and purpose of a business plan:

A business plan describes your vision, purpose, and means of operation. It also serves as the company's resume, explaining objectives to partners, investors, vendors and employees.

It serves the following purposes:

- Maintaining Business Focus.
- Understanding consumers and competitors.
- Securing Outside Financing.
- Assess the feasibility of your venture.
- Fuelling Ambitions and Mapping Growth.
- Enlightening Executive Talent or understanding employee needs.

Contents of a business plan:

a. Executive Summary:

- ✓ It should be in first place in the business plan and must be compelling.
- ✓ It includes a brief of its products and services and should reveal the company's mission statement.
- ✓ Briefly explain the reason behind starting your company and include details about your experience in the industry.

b. Company Description:

- ✓ Include information about your business goals, and the customers you are planning to serve.
- ✓ Give detail on how your business will stand out from others in the industry.
- ✓ Explain how your services and products will be useful to your target audience.

c. Market Analysis:

- ✓ Market analysis reveals that you know the industry and the specific market you're entering really well.
- ✓ Use data and statistics to talk about the market.
- ✓ Provide information regarding pricing systems, markets, methods of distribution, etc.

d. Competitive Analysis:

- ✓ A good business plan compares your business to competitors.
- ✓ Know your strengths and weaknesses.
- ✓ Provide information about any issues preventing you from jumping into the market.

e. Description of Management and Organization:

- ✓ A business plan must include how you will set up your organization.
- ✓ Introduce the company's managers, including their skills and primary job responsibilities.
- ✓ Indicate whether your business will operate as a partnership or with a different ownership structure.
- ✓ Identify the members if there is a board of directors.

f. Breakdown of Your Products and Services:

- ✓ Add more facts about the products and services in your company description in a separate section.
- ✓ Mention how much it'll cost to make your products and how much you hope to bring in.
- ✓ Make a list of patents and copyrights as well.

g. Marketing Plan:

- ✓ Describe your services and products in front of potential clients.
- ✓ Mention the budget needed to implement your strategies.

h. Sales Strategy:

- ✓ Decide how to sell the products you're building and be specific.
- ✓ Throw in the number of sales reps
- ✓ Include sales targets.

i. Manufacturing and Operational Plan:

- ✓ Describe the physical necessities of business operation, such as your location, equipment, and facilities.
- ✓ Inform about inventory requirements, manufacturing process, and suppliers.

- ✓ Describe the operations plan as it is equally helpful for investors and employees because it encourages you to think about tactics and deadlines.

j. Financial Projections:

- ✓ Reveal the financial goals and expectations according to your market research.
- ✓ Report your anticipated revenue in the first year and annual projected earnings for the following five years respectively.
- ✓ Include Startup projections, cash flow statements, balance sheets, income statements, and break-even analysis.

k. Appendices and Exhibits:

- ✓ Include marketing studies, permits, photographs of your product, credit histories, marketing materials, and property rights such as resumes, a patent, contracts, or other legal agreements pertinent to your business.
- ✓ It will help in establishing the credibility of your business ideas

5. Launching the enterprise.

Here you have to fulfill legal formalities. Hunt for a suitable location, designs the premises and installs machinery.

1. Acquiring license.
2. Approvals from banks and financial institutions.
3. Permission from local authorities.
4. Registration etc. After setting up the project, you must try to achieve the target of a business plan.

Set up an appropriate business process with proper management. It would be best to have the foresight to anticipate changes to avail of opportunities and meet threats.

1.3 Problems in setting up a business

The factors affecting the growth of the business are explained below:

Lack of legal knowledge:

- ✓ It may affect the smooth conduct of business.
- ✓ You must be aware of the Wages & Salaries Act, Factories Act, Workers Compensation Act, etc.

Lack of experience:

- ✓ You have to be experienced enough to manage the business in an efficient way.
- ✓ Lack of adequate knowledge creates significant issues like allocating funds for research and development.

Lack of finance:

- ✓ It is a hurdle in setting up a business unit.
- ✓ Starting up a new venture requires finance.
- ✓ It is necessary to meet business expenses like purchasing raw materials, paying interest on loans, paying wages and salaries, etc.

Lack of technology:

- ✓ Technology helps increase the production capacity and quality of the products.
- ✓ Its absence can hamper reputation.
- ✓ Suitable technology is beneficial to the business's success.

The problem of human resources:

- ✓ Skilled, qualified, and talented employees are needed for a firm.
- ✓ Have competent staff to avoid significant issues.

The problem of data:

- ✓ Research work is essential.

- ✓ It's best to conduct the survey and gather information regarding competition, market conditions, technology, consumer, etc. the data collected may not be accurate.

The problem of marketing:

- ✓ Having marketing knowledge is crucial to avoid cut-throat competition.
- ✓ Lack of marketing knowledge and understanding of the product, pricing, distribution, and promotion hampers Entrepreneurial growth.

Chapter 2: MARKET RESEARCH

Key Learning Outcomes:

At the end of this unit, you will be able to:

- Understand what is market research
- Analyse market research by brainstorming
- Evaluate and improve your idea before doing market research
- Understand a precise method for your market research
- Understand qualitative & quantitative market research

2.0 Market Research

Market research is a fundamental part of entrepreneurial project. Some steps required to carry out market research are as follows:

2.1 Brainstorming

- Before carrying out market research, clarify your idea and define your project.
- Create a definition of your product or service that is as precise as possible: its usefulness or its added value, its strengths, and even, at this stage, its potential weaknesses.

Step A:

- ✓ Before conducting market research, writing your idea will force you to objectify it and move from an abstract state to a concrete form.
- ✓ It will benefit you when you present your idea to friends and family.
- ✓ Write down: which stage are you at? Do you have a well-defined idea?
- ✓ Summarize your idea: the type of customers you want to reach and their benefits.

Step B:

- ✓ Test your idea before researching with your friends. What do they think? Ask them negative sides they see to it.

- ✓ There are many stories of entrepreneurs who were familiar with their market but did not conduct research and were caught with difficulties and setbacks.

Step C:

- ✓ After the opinion of friends, move to a more concrete phase. Structure your ideas and lay the foundations of your product or services.
- ✓ Achieve a precise definition of the product, the expected points of differentiation, and the design.
- ✓ Question the participants to understand how they use your product or how your service is useful to them.
- ✓ Identify their points of dissatisfaction to create different prototypes.

2.2 Test and improve your idea before doing market research

Define the problems you need to solve and the responses you want to bring. This will allow you to choose the right research methods.

Step A:

- **Define the problems:**

Write down your learning from the initial phase. Prepare a “one-pager” (an A4 page) that you can carry everywhere and summarizes the elements given below:

- **Your business idea in one sentence:**

Explaining the idea in one sentence to let everyone understand is difficult. It will get you thinking about your future “pitch,” which consists of presenting your concept orally to get banks and investors on board.

- **Your future market and its problems:**

It is useful to briefly describe your market (its competitors, dynamics, and customers).

Writing the things helps you materialize and objectify thoughts.

The key questions that will guide your market research:

Important questions for the success of your future business have resulted from the points discussed during the design thinking exercise, fuzzy areas that you will need to clarify or confirm within the framework of your market research. Write the question and define the research perimeter.

Step B:

Develop a prototype:

Develop a prototype that allows you to face reality. It can be a powerful mirror for your thought process. Your application may not be as innovative as you have imagined, your product might not be as easy to create as you thought, etc.

Step C:

Test your prototype:

It is essential to turn your idea into the real stage. Gather the initial feedback about your prototype to identify the major issues. Don't waste time during the qualitative interviews detecting issues that could have been corrected upstream.

2.3 Choose a precise method for your market research

- Analyze the problems and opportunities you detected during the previous steps.
- Abandon the idea that market research boils down to an online questionnaire.
- It is difficult to combat this idea because some marketing agencies have imprinted this shortcut into clients' minds, so they forget the complementary nature of other available methods.
- This part is termed "research design."
- We will take market research methods and walk you through the stages to end up with a marketing strategy outlined in the business plan and reflected in the financial plan.

- The first market research techniques we will introduce are our trend and PESTEL analysis.

2.4 Analyze trends and the environment (PESTEL analysis)

After writing down ideas, testing ideas with the help of a prototype, and choosing the methods to use for your market research, it's time to enter into the heart of the matter.

Step A:

Studying market trends will allow you to understand:

ii. Market dynamics as a whole

- Is it a regional, local or national market with the hope of going global?
- Or is it already a global market?
- Is location an important factor for success?
- Where to find data about market dynamics?
- What are the prospects of the market in which you are interested?

Find the trends related to the zone in which you are located. For example, worldwide figures on yogurt consumption are of no use to you if you are producing and selling an artisanal yogurt product in Chandigarh? In this case, the trends concerning the Indian market (especially, the Chandigarh market) are more relevant.

iii. Specific market trends and innovations

- Data collection is difficult and requires much effort.
- But you can't ignore it because it is just as important as the others.
- Understanding of market dynamics is crucial to conduct market research.
- Identify the positive trends within the market.

Step B:

Environmental analysis (PESTEL analysis):

- A business is subject to several limitations.
- Some may be out of the control of the company, like the political situation, its multiple changes, taxation, the economy, and other constraints of a legal or regulatory nature, and technological developments.
- They may play an essential role in the fate of a company.
- Start-up companies are susceptible to these risks.
- To carry out a PESTEL analysis, consider certain aspects that you may otherwise have neglected.
- Identify the risks and try to reduce them proactively.

Step C:

Competitor analysis in market research is essential, even if you don't think you have any.

- Identifying direct and indirect competitors: At this stage, reasoning in terms of needs can be helpful. Your product may be innovative, having no exact match, but still, it has indirect competitors. For example, people can quench their thirst with any number of drinks. If you launch a new drink will be unique from all other manufacturers, even if the glass is unique.
- Defining the competitor analysis criteria for your market research: Beginning with your collected data, draw some first conclusions, like who are your main competitors? Pretend to be a customer and gather valuable information about the quality of the service, the price, etc. It will allow you to position your offer better and match consumer expectations.

2.5 The Qualitative Phase:

This stage of your market research will influence the success of your future enterprise. Here cover individual qualitative interviews, leaving more specialized methods to one side.

Remember that focus groups are less influential as they allow you to get more information for your qualitative market research.

The summary of the different stages:

1. Develop the interview guide

2. Workout on the coding guide
3. Conduct the qualitative interview
4. Do immediate debriefing
5. Transcribe the interview
6. Code the interview using specialized software

Whom to interview for qualitative market research?

- Interview your future clients. In B2B markets, many stakeholders play a role in the value chain. It's interesting to interview the end users and other upstream stakeholders whose decisions affect the success or failure of your business.
- In B2B, you need distributors. There are more barriers to overcome. Don't hesitate to interview competitors' clients during the qualitative market research. They can provide valuable information about the strengths and weaknesses of your rivals.
- B2C, or "Business to Consumers," is a generic term for companies that sell products or services to individuals. B2B is businesses trading with other businesses. The qualitative interviews will inform you about competitors you may not have noticed. This knowledge is helpful while drafting a business plan and marketing strategy.

Key points to consider during In-depth Interviews for market research-

1. *Record the conversation*-Don't transcribe into your own words.
2. *Interviews won't go as planned*-Each interview will be different.
3. *Preparation*- Give yourself enough time, prepare.
4. *Don't forget your original goals and objectives of the research*-It's easy to get caught up in the conversation.
5. *Be open minded to new insights*-Take everything in, but don't jump to conclusions.

2.6 Quantitative Market Research:

Let's see how to do it properly and avoid messing it up.

Using online surveys — establish a questionnaire for quantitative market research and quantify customers' receptiveness to your ideas. It will help you provide valuable information that will feed your business and financial plan.

Step A:

Make a questionnaire for your quantitative market research

9 rules to pay attention to while drafting your market research questionnaire:

1. Avoid sensitive issues
2. Only include questions that are strictly necessary for your market research
3. Check that a single question is enough to obtain the information you seek
4. Avoid negatives when writing your questions
5. Do not exceed 20 questions or 10 minutes
6. Ask yourself if the interviewee can provide the information
7. Ask yourself if the interviewee wants to provide the information
8. If one question or aspect is essential, include a similar question (but phrase it differently) at another place in the questionnaire in order to confirm the answer to the first question
9. Preferably use a Likert scale

Step B:

Test your quantitative market research questionnaire

- Statistical methods ensure the validity of the questionnaire.
- Test the questions on a small number of individuals, observe how they respond, and look for any potential difficulties.
- If your questionnaires require several languages, carry out double translation because it will ensure the consistency of the text in other languages.

Step C:

Administer your quantitative survey

- Ask people to answer your questions.
- Launch an online survey and reach the targets that you want to question. Avoid surveying your friends and relatives if they are not the target.

Step D:

Analyze the results of your quantitative market research

- The end of the tunnel is in sight! Most online survey services have dashboards with trustworthy graphs, averages, and intervals.
- The following stages will synthesize the results of your research, identify the buoyant segments, and quantify the potential before writing your business plan and your financial plan.

2.7 Synthesize the results of market research before the business plan

The synthesis phase is crucial when you are drafting a good business plan. After market research summarize the results and include them in your business plan.

Step A: Synthesize the results of the market research.

- Visual tools are helpful when you the results of the market research. Commonly used methods are the SWOT analysis (Strengths — Weaknesses — Opportunities — Threats), Porter’s 5 Forces analysis, and the “Blue Ocean” strategy.
- SWOT Analysis is a way to categorize and view the essential information about the project.
- Michael Porter (an expert in marketing) invented Porter’s 5 Forces analysis, which helps represent the market's competitive situation.
- Follow the environmental analysis, qualitative and quantitative analysis of the request, market trends, and competitive analysis to structure your overview and enhance your written words with the visualizations suggested above.

Step B: Identify the most promising market segments.

- Have a clear view of your market, difficulties, and the opportunities.

- Follow only a few leads. When they don't materialize quickly, you could find it discouraging.
- In a startup, small victories are essential to keep you going.
- Choose the segments that can be "converted" effortlessly or with the highest yield.

Step C: Evaluate the size of the market

- For the selected segments, quantify the potential of the details you set in the previous step.
- Let's take a B2C example. Suppose you have identified the 55-65 year-old segment on which you want to focus. Quantify its size by knowing how many people are aged between 55 and 65 years in the target country and evaluate the fraction of those people interested in your services or products. A similar analysis can be done in B2B.

A STEP-BY-STEP GUIDE TO MARKET RESEARCH

1: TEST YOUR IDEA

Don't be afraid to talk about your idea to gather external feedback (especially negative one).



Put your idea on paper : what makes it unique and attractive?

Test your idea on friends and relatives

Organize a Design Thinking Session to gather more insights and improve the initial idea

Define the customers' pains you want to solve

Develop a prototype to explore customers interactions with your product / service and detect problems

Test your prototype and collect real feedbacks



2: IMPROVE YOUR IDEA

Fix the most obvious flaws to improve your initial idea and develop a MVP (Minimum Viable Product)

3: PLAN YOUR RESEARCH

Good market research is based on the use of complementary methods, not just an online survey

Analyze current and future market trends

Conduct a PESTE(L) analysis to understand the impact of external market factors

Analyse the competition

- Identify your direct and indirect competitors
- Define the criteria to benchmark your competitors
- Search relevant information about your competitors
- Benchmark your competitors



4: OBSERVE THE MARKET

Take an external look at the market to understand its dynamics, identify competition, your competitor's strengths and weaknesses

5: QUALIFY THE DEMAND

Use qualitative techniques (observations, ethnography, focus groups, interviews) to better "qualify" the demand

Implementation study (only for brick-and-mortar businesses) : assess flows and define catchment area

- Count the flow of pedestrians
- Qualify the flows
- Analyze the flow of pedestrians

Quantitative phase

- Write your Quantitative Questionnaire
- Test your quantitative questionnaire
- Administer your quantitative survey
- Analyze your results

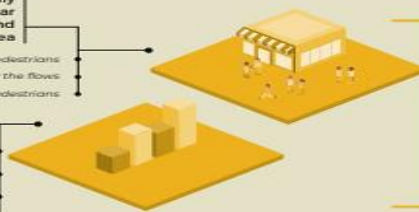


Conduct in-depth interviews to better understand your future customers.

- Preparing for the Qualitative Interview
- Writing the Interview Guide
- Conducting the qualitative interview
- Interview Transcript
- Coding the interview in specialized software

6: QUANTIFY THE DEMAND

Use findings from the qualitative phase to quantify customers' needs



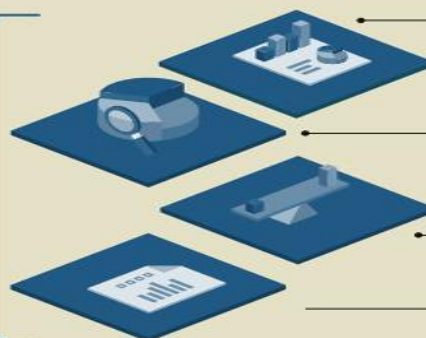
7: FINALIZE

Use charts and graphics to sum-up your main findings

Identify the most promising market segments

Assess the market size for selected segments

Let's go for the business plan and the financial plan!



Chapter 3: STRATEGIC PARTNERSHIPS OR TIE-UPS FOR A NEW VENTURE REGISTRATION OF ORGANIZATION

Key Learning Outcomes:

At the end of this unit, you will be able to:

- Understand Collaboration

Introduction

- Communication within a higher education institution and a partnership is important.
- Collaboration within strategic partnerships is more than just communication.
- It is also structure, strategy, and problem-solving. Those who work with strategic partnerships must be good communicators, therapists, coordinators, conflict-resolution specialists, educators, firefighters, intermediaries, and even visionaries.
- Understand one's motivations and the other side's interests and constraints.
- Revenue is a crucial incentive for startups.
- Corporations can have a long-term interest which stabilize a startup and help it to reach profits early. Such an approach allows the startup to achieve sustainable growth independently from scarce venture capital.
- Large corporate customers enhance the reputation of startups and act as reference cases.
- As corporate decision-makers look for references before collaborating, this also triggers a network effect. In this context, transforming the sales process from an innovation pitch into reference selling may become a critical success factor for a startup.
- Working with corporate headquarters provides the possibility to expand into other countries by partnering with the corporate's local subsidiaries. Moreover, large user bases may also help startups to refine and optimize their products.

3.1 Understanding collaboration: the corporate and the start-up perspective

Attractive retail sales channel- The infrastructure of the corporate, including its clients, allows faster scaling of the start-up business model. Investors look at technology and not enough at markets. The fastest way to market is to sell to corporations.

Market knowledge and mentoring -An established business person is helpful for start-ups to enter the market. Start-ups can also ask for mentoring.



Benefits

for start-ups



- Revenues and independence from external capital
- Success story for future sales
- Scalable customer base
- Riskless internationalization
- Attractive retail channel
- Access to proprietary assets
- Market knowledge and mentoring



for corporates

- External innovation and disruption
- More innovative suppliers
- Customer focus
- Entrepreneurial and more agile culture
- Staying on-top of market developments
- New revenue streams and business lines

Chapter 4: ENTERPRISE REGISTRATION PROCESS

Key Learning Outcomes:

At the end of this unit, you will be able to:

- Understand enterprise registration process

4.0 Enterprise Registration Process

As per statistics, approx. 7 lakh companies are registered in India, and new applications are filed every day. It is crucial to be well-informed about the registration process, and this post lays out a step-by-step guide to the company registration process in India.

4.1 Deciding your Business Structure

This is the foundational step for the registration of a company. Decide the business structure that will define the path your company takes and how it handles operations. There are various types of Business Structures in India, which are difficult to decide. Take a brief look at all the business structures and choose the best one.

Types of Business Structures

| Company Types | Minimum Shareholders | Suitable for | Tax Advantages | Legal Compliance |
|--------------------------------|----------------------|---|-----------------------|---|
| Limited Liability Partnerships | 2 | Businesses with low investment needs and Businesses offering Services | Depreciation Benefits | Tax Returns like <u>GST Return</u> and ROC returns are to be filed. |

| Company Types | Minimum Shareholders | Suitable for | Tax Advantages | Legal Compliance |
|-------------------------|----------------------|---|---|--|
| One Person Company | 1 | Solo owners with the intention of restricting their liabilities | Startup India Higher benefits on benefits allow for tax holidays in the first 3 years of operation. No tax on dividend distribution | Business Returns. ROC Compliances are limited |
| Private Limited Company | 2 | High turnover businesses | Tax holiday in the first years of operation in accordance with Startup India higher benefits | Business and Tax Returns, <u>ROC Compliances</u> , have to be filed and Statutory Audit is mandatory |
| Public Limited Company | 2 | High-risk, high-reward based high turnover businesses | Lower and Reduced tax advantages as compared to others | Business tax returns to be filed. Mandatory statutory audits to be performed |

The other forms of Business Structures in India operate outside the jurisdiction of the company's law, and their registration is not mandatory. For easy day-to-day functions, get these registered as well. The business structures are:

- Sole Proprietorship
- Hindu Undivided Family (HUF)
- Partnership Firms

Consider for following before deciding the business structure:

- **Number of Owners/Partners**

Single Business Owners who are in charge/ownership of all the investments going into the firm should rather go for a Person Company. However, aspiring entrepreneurs with two or more proposed owners/directors looking to attract more investments into the firm should rather go for an LLP or a Public / Private Limited Company.

- **Initial Investments in the business**

If you have confidence that you will recover the investment in terms of setting up and compliance costs, then go for a One Person Company Registration or a Limited Company.

- **Liability**

It means if there is any default in the repayment of loans, the money can be recovered from the partners in profit-sharing ratios. The owner has a high risk to the personal asset.

On the flip side, the firms with Limited Liability (LLPs and Company) have a limited liability meaning the amounts extracted from owners in the case of default will only amount to the contributions made by them or the number of shares of the company they hold in their possession.

- **Income Tax Rates**

Business structures like the proprietorship and the HUF come under the normal slabs of the income tax structure. Companies like LLPs, Public Companies, and Private Companies are taxed at 30% income tax.

- **Attracting Investors**

An unregistered business structure is an obstacle when you want to attract an investor to raise money for the business. Legally established business structures get the vote of confidence from an investor/investor firm.

4.2 Obtaining a DSC [Digital Signature Certificate]

What is a Digital Signature Certificate?

Digital Signature Certificate, or DSC for short, is basically the digital equivalent of a physical certificate. It verifies the identity of a person or access information and or to sign certain documents digitally on how to register a company.

How do you obtain a Digital Signature Certificate?

The Ministry of Corporate Affairs has prescribed DSC Certifying Authorities from whom you can obtain a DSC Check out the Certifying Authorities. It normally takes 3-7 business days.

Different Classes of Digital Signature Certificates (DSC)

Class 1 Certificate: Individuals/Private Subscribers.

Class2 Certificate: Business Personnel as well as for personal and private use.

Class 3 Certificate: High Assurance Certificates. Majorly for E-commerce Operators, whether individuals or organizations

4.3 File for Name Approval

To file for name approval for Public Companies, PLCs (Public Limited Companies), OPC, NBFC, etc., use the RUN (Reserve Unique Name) e-form.

In order to incorporate an LLP, however, filing for name approval has to be done via the RUN-LLP forms.

However, it is essential that you check company's name is not clashing with an existing company name to avoid legal troubles.

4.4 Obtain DIN

DIN (Director Identification Number) is a unique identification number provided by the Central Government to the directors of a new or already existing company.

4.5 File for Incorporation

The Final step is filing for the incorporation and the MCA provides dedicated forms for incorporation of companies.

- Obtaining DIN
- Name Reservation
- Incorporation
- Pan Application
- TAN Number

4.6 File AoA and MoA

MoA (Memorandum of Association) and AoA (Articles of association) and together these two form the constitution of the company and define the legal powers of the company and the information about the business activities along with the relationship with the shareholders. File for the constitution of the company after registration. The MCA provides the e-forms INC-33 for e-MoA and INC-34 e-AoA. It roughly takes **7-8 business days**.

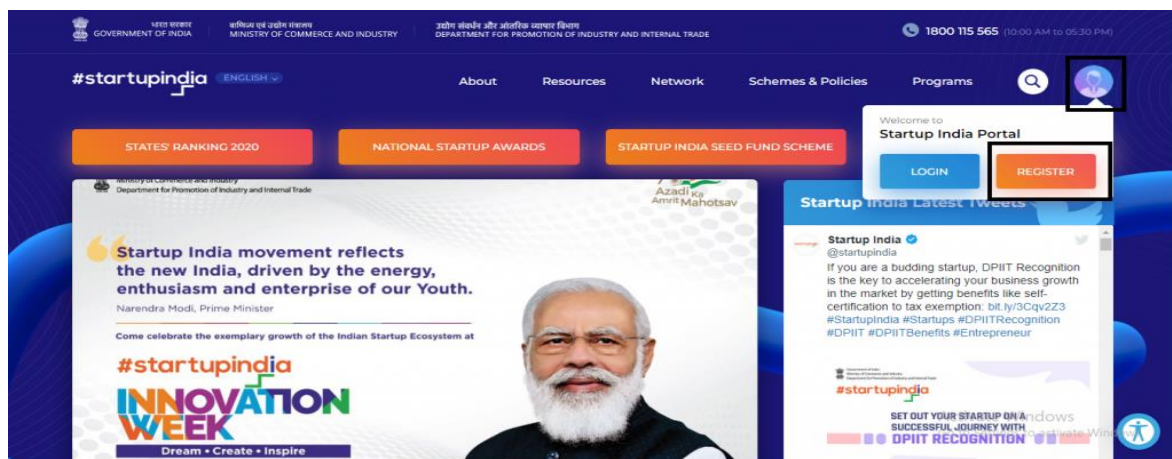
4.7 START-UP India Registration

Step 1: Incorporate your Business

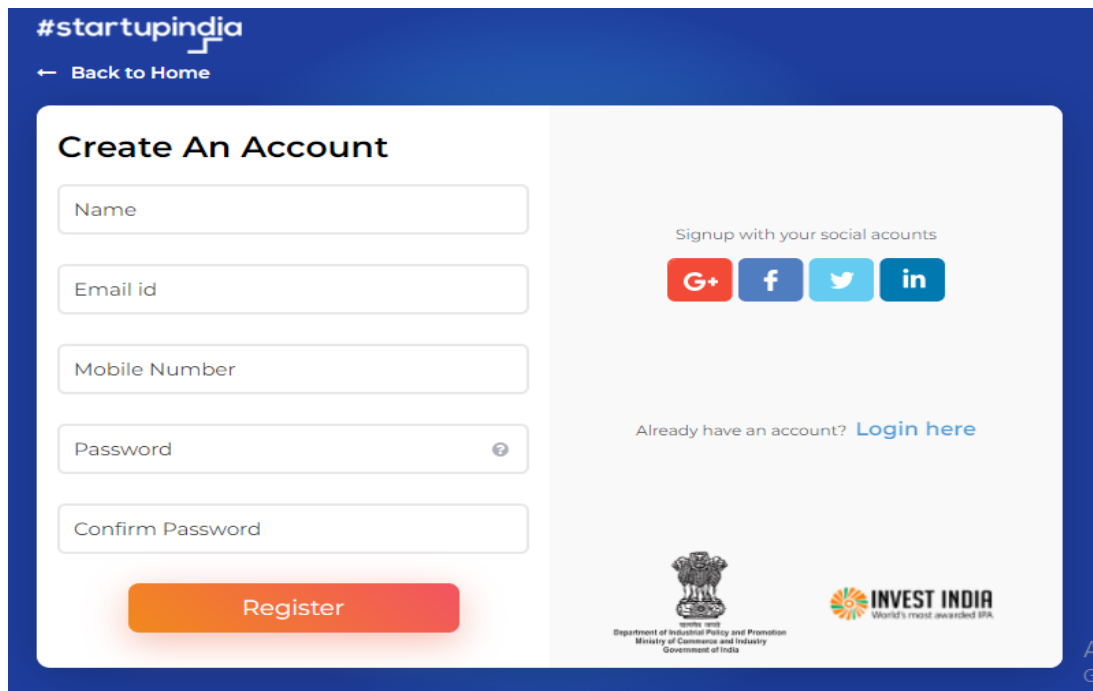
Incorporate your startup as a [Partnership firm](#) or a Private Limited Company or a [Limited Liability Partnership](#). You have to follow all the normal procedures for registration of any business, like submitting the registration application and obtaining the Certificate of Incorporation/Partnership registration.

Step 2: Register with Startup India

Registering the business as a startup is an online and simple process. Visit the [Startup India website](#) and click on the 'Register' button, as shown below.



Enter your name, email ID, mobile number, password and click on the 'Register' button.



The screenshot shows the '#startupindia' registration page. It features a blue header with the text '#startupindia' and a 'Back to Home' link. The main content area is white and contains a 'Create An Account' form with five input fields: Name, Email id, Mobile Number, Password, and Confirm Password. Below these fields is a red 'Register' button. To the right of the form, there is a section for social media sign-up with buttons for Google+, Facebook, Twitter, and LinkedIn. Below this is a link for 'Login here' for existing users. At the bottom of the page, there are logos for the Government of India and 'INVEST INDIA'.

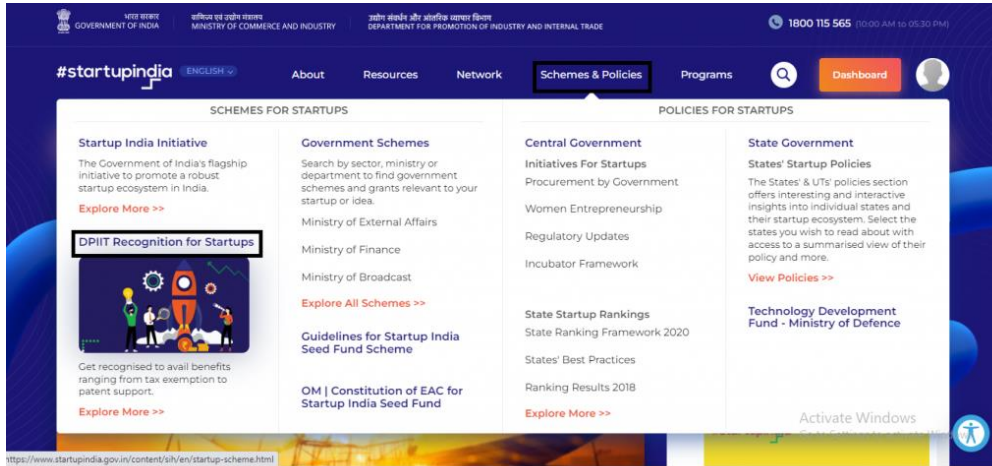
Enter the OTP, sent in to your email, and other details like the type of user, name, stage of the startup, etc., and click on the ‘Submit’ button. The Startup India profile is created.

Now, startups can apply for various acceleration, incubator/mentorship programs, and other challenges on the website, along with getting access to resources like the Learning and Development Program, State Policies for Startups, Government Schemes, and pro-bono services.

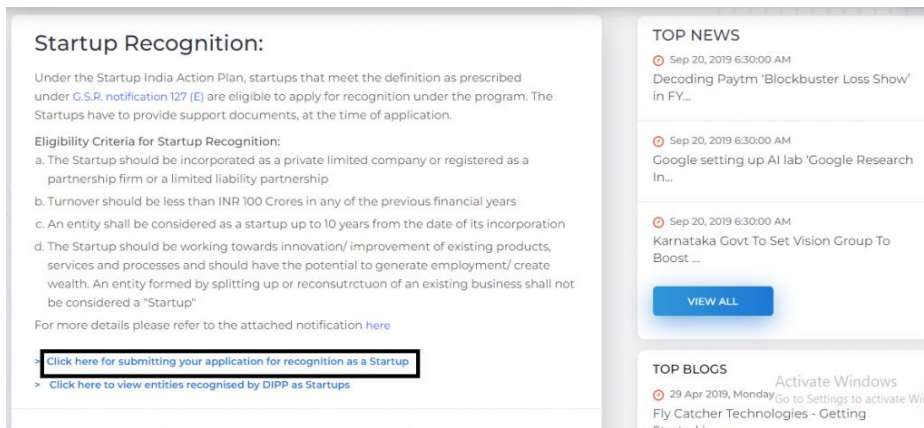
Step 3: Get DPIIT Recognition

Avail of the Department for Promotion of Industry and Internal Trade (DPIIT) Recognition which helps you to avail benefits like access to high-quality intellectual property services and resources, , easy winding of company, access to Fund of Funds, tax exemption for three consecutive years and tax exemption on investment above fair market value, self-certification under labor and environment laws, relaxation in public procurement norms.

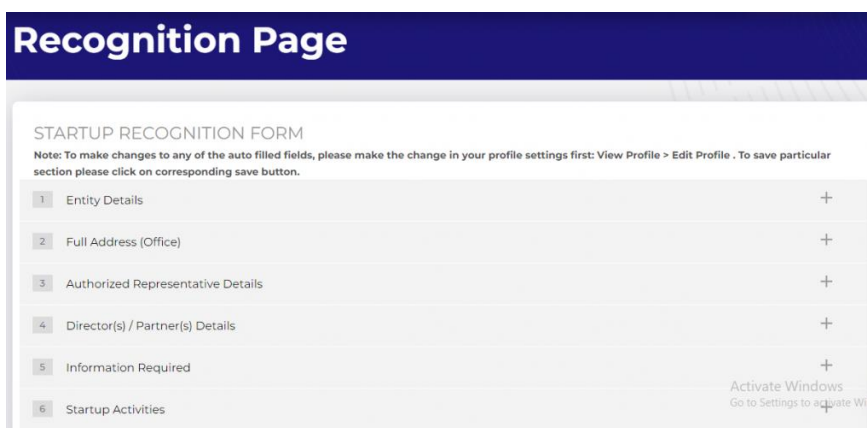
Log in with your registered credentials on the Startup India website, click on the ‘DPIIT Recognition for Startups’ button under the ‘Schemes and Policies tab.



Click on the ‘Get Recognised’ button on the next page. Scroll down this page and click the ‘Click here to submit your application for recognition as a Start-up’ button.



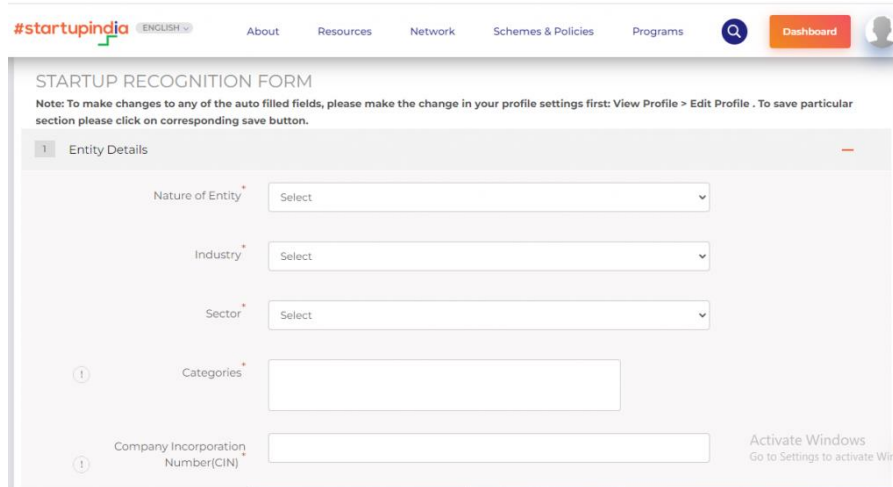
The ‘Startup Recognition Form’ page opens as shown below.



Step 4: Recognition Application

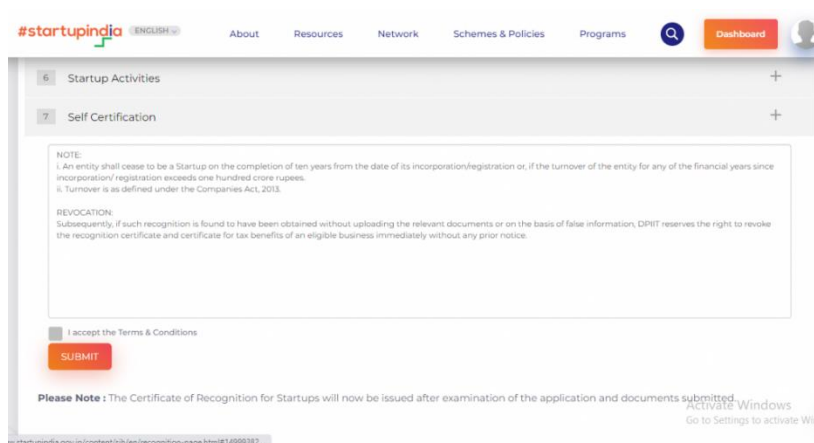
On the ‘Startup Recognition Form’, you need to fill in the details such as the entity details, full address (office), authorized representative details, directors/partner details, information

required, startup activities, and self-certification. Click on the plus sign on the right-hand side of the form and enter each section.



The screenshot shows the 'STARTUP RECOGNITION FORM' on the #startupindia website. The 'Entity Details' section is active, showing fields for 'Nature of Entity', 'Industry', 'Sector', 'Categories', and 'Company Incorporation Number(CIN)'. A note at the top states: 'Note: To make changes to any of the auto filled fields, please make the change in your profile settings first: View Profile > Edit Profile . To save particular section please click on corresponding save button.' A 'Submit' button is visible at the bottom right of the form.

After entering all the sections of the ‘Startup Recognition Form’, accept the terms and conditions and click on the ‘Submit’ button.



The screenshot shows the 'Startup Recognition Form' on the #startupindia website. The 'Self Certification' section is active, displaying a 'NOTE' and 'REVOCATION' section. Below the text, there is a checkbox labeled 'I accept the Terms & Conditions' and a red 'SUBMIT' button. A 'Please Note' at the bottom states: 'The Certificate of Recognition for Startups will now be issued after examination of the application and documents submitted.' A 'Submit' button is visible at the bottom right of the form.

Step 5: Documents for Registration

- Incorporation/Registration Certificate of your startup
- Proof of funding
- Authorization letter, LLP or partnership firm
- Proof of pitch deck/video/ website link
- Patent and trademark details, if any
- List of certificates of recognition or awards
- PAN Number

Step 6: Recognition Number

You will receive a recognition number. The certificate of recognition will be issued after verifying all your documents within two days of submitting the details online.

Be careful while uploading the documents as there is fine of 50% of your paid up capital of the startup along with a fine of Rs.25,000, in case if the wrong document is uploaded.

Step 7: Other Areas

Patents, trademarks and/or design registration: You can approach any from the list of facilitators provided by the government. You have to pay the statutory fees and will get an 80% reduction in fees.

Funding: Funding is a challenge because of a lack of experience, security or existing cash flows, and it is difficult to attract investors. For funding support, the Government has set up a fund of INR 2,500 crore and a total corpus of INR 10,000 crore over 4 years.

Self-Certification under Employment and Labor Laws: start-ups can self-certify under labour and environmental laws to reduce their compliance costs. Self-certification is provided to reduce regulatory burden, allowing them to focus on their core business. Start-ups are allowed to self-certify their compliances under six labour and three environment laws for 3 to 5 years from the date of incorporation.

Tax Exemption: Tax exemption for startups is for 3 years. But to avail this benefit you must be certified by the Inter-Ministerial Board. The Startups incorporated on or after 1st April 2016 can apply.

Documents Which Have Been Waived Off

Below is the list of documents that are not required:

- Letter of Recommendations
- Sanction Letters
- Udyog Aadhar
- MSME Certificate
- Letter of funding
- GST Certificate

Frequently Asked Questions on Startup India Registration

Who can register with startup India?

Any Partnership Firm or a Limited Liability Partnership or Private Limited Company can register under the startup India scheme. The annual turnover of these business entities should not exceed Rs.100 crores, and they should have been in existence for up to ten years from the date of their incorporation/ registration. It should work towards the development or improvement of products or services.

What are the benefits of signing up with startup India?

There are several benefits startups receive under the Startup India Initiative. Nevertheless, to avail of these benefits, an entity is needed to be recognized by the DPIIT as a startup.

Startups can self-certify their compliance with six labor and three environmental laws. This is allowed for five years from the entity's date of incorporation/registration. Startups are allowed a three-year tax exemption, and the best intellectual property services and resources are solely built to help startups protect and commercialize their IPRs.

What kind of business structure to choose for the startup?

The preferred business structures are Private Limited companies and LLPs legal as it is legally recognized and favored by investors. However, it may have a higher cost of incorporation.

Can a foreign company register under the Startup India hub?

Having one registered office in India, you can register on the hub since the location preferences are only created for Indian states.

For how long is a company recognised as a startup?

Any business entity that has completed 10 years from the date of its incorporation/registration and has exceeded the previous year's turnover of Rs.100 crores shall stop being a startup on completion of 10 years from the date of its registration/incorporation.

Can an existing entity register as a “Startup” on the Startup India Portal?

Yes, an existing entity can register as a startup, but it has to meet the prescribed criteria for a startup. They can also avail of various tax and IPR benefits.

How do I know my registration is complete?

After completion of the application, you will receive a system-generated certificate of recognition. You can download this certificate from the Startup India portal.

Chapter 5: BUSINESS OPERATIONS

Key Learning Outcomes:

At the end of this unit, you will be able to:

- Evaluate business operations
- Evaluate Day-to-Day Operations Management
- Understand procurement management
- Understand supply chain management tools
- Apply business accounting system
- Remember ERP -Enterprise Resource Planning

5.0 Business Operations

5.1 Setting up the Operations facility

After establishing the legal structure for a business, you need to think about its physical operations. Business operations include the location of your business and the processes, resources, and other tools you will need to transform inputs into outputs. The operational decisions improve the end product's efficiency and profit. It depends on the product and the production process. You have to ensure that all operations function well and integrate effectively.

• Location and Facility -

It would be best to consider many factors, such as square footage, layout, utilities, storage, etc. Location may be critical even if you are planning a home-based business. When deciding to lease, buy an existing facility, or build a new one, consider your goals and the desired end result. Is it better to lease (or rent) an existing facility so you would not be tied to a location and, therefore, able to move as your business expands?

• Operational / Production Equipment and Maintenance -

Should you lease or buy my office equipment? Along with the equipment, how should you manage the maintenance? Which is more cost-effective – buying or leasing? What are the advantages and disadvantages of each?

• Employees-

You want to hire the employees part-time, full-time, or on an “as needed” basis? Do you need a sales force? Look for its advantages and disadvantages.

- Professional Assistance: If you don’t need employees, you may need outside expertise to meet business goals.

5.2 Business Regulations and Guidelines

Laws and regulatory requirements affect every aspect of your business venture. While it might be frustrating to deal with the many regulations, they must exist to protect your business venture. Many regulatory requirements exist at multiple levels -- local, state, and regional. Don’t hesitate to consult with appropriate professionals who will listen to your business plan and provide the expertise and guidance you need. It is your responsibility to take care of the guidelines and changes in regulations and taxes.

Business Contracts

A contract is an agreement between parties, with terms and conditions that constitute all parties' legal obligations. There are templates for a reference when developing a contract but it should be unique to the situation.

Checklist: Critical Contract Components

- Identification of parties. Complete names, addresses, etc., for all parties.
- Contract Background.
- Obligations. What will each party do, and by what date, etc.
- Contract Terms.
- Price. The amount of money to be exchanged and how the price was determined.
- Payment Process. When the payment is due and how it will be paid (installment or one lump sum), etc.
- Warranties. Under what conditions will the product be delivered, etc.
- Liability. Conditions surrounding the end product. Guide 6: Basic Business Operations, page 18
- Contract Termination.
- Confidentiality. Which party may publicize the project, etc.

5.3 Day-to-Day Operations Management

- Secure the physical operations, and comply with the necessary regulations and guidelines.
- Look at the daily management process. (Are there established and adopted operations procedures? Are they clear to everyone? Are there benchmarks established?)
- Take the time to carefully review the daily operations within your business.

Operations Check List-

- Is there a process for taking, processing, and delivering products?
- Who is responsible for order processing?
- Is there a process to communicate the orders from sales to fulfillment to finance?
- Am I satisfied with the time needed from beginning to end to fulfill an order?
- Have I established a process to monitor product fulfillment quality?
- Do I have an inventory control procedure for my business? If so, what is it?
- Is there a specific person responsible for inventory control?
- Is a physical inventory taken regularly?
- Does my product have a minimum level of inventory?
- Will I need external warehousing? If so, for what length of time and how will this be determined?
- Have I established a process to monitor inventory management quality?
- Do I have a billing and collection process?
- If so, is it working efficiently and effectively?
- If not, where is the breakdown; how do I fix these areas?
- Do I have the right type of billing forms for my business?
- Do my clients know how my billing procedure works?
- Are my clients aware of my internal and external collection processes?
- Are they aware of when late payments go to the external collection?
- At what point must I write off payments never received?

5.4 Procurement Management

Procurement is a key input to an organizational strategy that, when executed well, can lead to better business outcomes. Get the right material in the right amount at the right time and for the right price. Procurement involves:

- Selecting vendors
- Establishing payment terms
- Strategic vetting
- Selecting and negotiating contracts
- Actual purchasing of goods
- Managing supplier relationships

Procurement organizations

Procurement organizations are classified into three categories:

- **Centralized** –Single department controls and manages all purchases.
- **Decentralized** - Each department manages procurement.
- **Coordinated or hybrid** - A combination of centralized and decentralized procurement.

How does procurement work?

There are steps for identifying a requirement of the company. These steps form a process called the procurement lifecycle.

The Procurement Lifecycle



Step 1: Sourcing

Selecting a supplier is referred to as sourcing which is a strategic event, such as a Request for Proposal (RFP), (occurring every few years to reduce costs and show savings). Organizations evaluate suppliers and often select those that deliver the best value.

Challenge: Lengthy RFP processes require energy, resources and time from multiple departments.

Step 2: Contract

After selecting a supplier, now enter into a contract. This is where all terms and conditions are outlined. Both parties accept the contract for signature after negotiating.

Challenge: If prices drop, savings are not passed on. Contracts may also lock a business into specific products.

Step 3: Procure

The company purchases goods from the contracted vendor. Payment is often handled by the organization's accounts payable team or by using a corporate credit card. The accounts payable team has to process payment to the vendor within the timeframe. Finally, the firm will track and record purchases in a central location for future reference, auditing, transparency, and tax purposes.

Challenge: End-user management can be difficult, especially with frequent purchases by multiple users.

Step 4: Seller management

It includes:

- Quarterly business reviews
- Auditing compliance with contracts
- Monitoring and reporting each supplier's financial health and risks.
- Cultivating the supplier relationships with existing and new suppliers.

Challenge: There are multiple suppliers to manage, which is costly and time consuming.

How procurement drives better business outcomes



5.5 Supply Chain Management tools

The essential types of supply chain management tools are:

1. Shipping Status Alerts and Updates

- Real time alerts is a popular tool that provides information on all shipping activities.
- You and other stakeholders can act before small issues become much larger.
- It can be sent to your mobile device to inform you of the status of your supply chain.

2. Order Processing

- It is important to any supply chain.
- It makes this task easy and efficient.
- It supports all functions across order processing like sales, order management, order fulfillment, order processing, billing and order to cash.
- This reduces the time and any human error.

3. Lean Inventory

- It lets you optimize your production planning by cutting down on warehousing space, inventory costs and the different procedures for storing excess inventory.
- It can provide a lot of return on investment for a business, decreasing the need for warehouse space and streamlining its labor force.
- By using materials planning, scheduling and simulation tools, demand forecasts, you can gain a much deeper insight into the future of your supply chain.

4. Warehouse Management

- It provides advanced supply chain planning tools that allow users to handle complex logistics related to product tracking, cycle counting, receiving, route planning and more.
- It helps to manage the kitting and bundling process and multiple warehouse locations.
- It is helpful when you need to bundle multiple products.

5. Demand Forecasting

- Supply chain tools can process huge amounts of data in less time.

- It provides insight into past practices and creates forecasts to predict future demand.
- It helps you to anticipate customer demand that provides the essential information to make crucial decisions about production planning, supplier relationships, labor management.
- Without forecasts there is risk of stock shortages during intense demand.
- On the other hand, when demand is low, there is risk of running high carrying costs.

6. Analytics and Reports

- Supply chain analytics tools analyze your data and allow users full visibility not just into the physical location but also into the health and performance of the company.
- Demand forecasts provide visibility into the popularity of certain items.
- Warehouse analysis tells you the efficient way to store and move that product and allows users to analyze order processing which can uncover the source of delays and errors.
- Users can analyze logistical processes and transportation.
- Different tools may offer different reporting methods, including charts, tables, and dashboards.
- Dashboards offer quick information as soon as a user logs into the system.

7. Collaboration Portals

- Modern supply chain monitoring tools allow companies and their suppliers to collaborate in other ways through a designated portal.
- Supply chain portals can eliminate collaboration challenges, including bottlenecks in requisition and order communication issues and other issues.
- All parties have access to production progress, product specifications, purchase orders, order forecasts, shipment history, purchase orders, schedules and more.
- Collaborating on certain documents eliminates the requirement for continuous emailing to get information and the errors associated with it.
- Collaboration portals support full supply chain visibility and allow the suppliers to stay up-to-date.

These supply chain management tools can empower your operations in the digital age. Careful consideration of business requirements among all parties will ensure you get the appropriate

tools to support the operations.

5.6 HR/Employees Management

The continued survival and successful organization is not a quantitative approaches but differs significantly in the activities of employees and managers based on support and mutual loyalty. The organization's success today and tomorrow are seen as more and more dependent on the effectiveness of human resource management.

Important aspects of effective human resource management

- Developing policies relating to personnel management of the firm
- Defining recruitment and selection procedures for staffing needs
- Developing strategies for training and development of employees
- Developing performance appraisal programs
- Designing compensation and reward systems for the employees

With the advent of technology, HRM systems are no longer clumsily designed tools to carry out menial work. Instead, they are powered by Artificial Intelligence and Machine Learning technologies making HR functions – recruiting and performance management – simpler and more efficient. Some popular HRM tools are listed below-

Kredily

- Employee & Document Management
- Attendance Management System
- Employee self-service portal
- Web Clock-in/Clock-out
- Customizable and unlimited leave, attendance and shift rules
- Payroll Management
- Machax – social network by Kredily
- Customizable and unlimited Salary Structures
- PF, ESI, PT & TDS Statutory compliances

- Geotracking
- Biometric Integration

GreytHR

- Core HR Management
- Leave Management
- Payroll Management
- PayNow
- Tasks and checklist
- Employee Self-onboarding
- Employee Self-service Portal
- Expense Claims Management
- Attendance Management
- Geo Mark
- Multi-company Support

SumHR

- Attendance Monitoring
- Biometrics Integrations
- Leaves Tracking
- Payroll Automation
- Enterprise Social Network
- Project Timesheets
- HR Helpdesk
- Onboarding/Exit Checklists
- Document Management
- Performance Management
- Recruitment Management

5.7 Business Accounting System

Accounting system is like a mirror of your business; it is a source of checks and balances for your business. You should know basic accounting principles and bookkeeping procedures to

talk intelligently about your accounting needs with employees, bankers, accountants, etc.

The three major financial forms that you should maintain are the following.

- **Income Statement (also known as Profit and Loss Statement)**
 - It tracks and calculates your net income.
 - To determine the net income, add all business revenue and subtract all business operating costs and expenses.
 - Income statements are usually prepared monthly, quarterly, or annually and are valuable for calculating taxes, business projections, evaluating the business's progress, and attracting potential investors.

- **Balance Sheet**
 - It represents the balance sheet on the following page represents a picture of the business's financial condition as of any given date.
 - It tells the business worth and is prepared annually and contains two equal parts — Liabilities and Net Worth.
 - It also reveals assets of the business, liabilities, and the difference between the two. The difference between the two represents the business's net worth.

- **Cash Flow Statement**
 - You need to know how much cash you have now and will need in the immediate future.
 - If you don't have enough cash, you need to pay more attention to it to ensure you are progress.

Bookkeeping & Bookkeeping Records

- For financial statements, you require current, current, reliable, and documented data.
- Maintain the journals and ledgers to ensure the correct data.
- A journal is a reference of each business transaction.
- A ledger is the documentation from the various journals.
- Journals and ledgers are maintained in hard copy.
- It is suggested to have a hard copy backup system.

- The information reflects business's financial activity.
- **Gross Receipts:** It documents your business's income that includes invoices, receipt books, bank deposit slips, etc.
- **Purchase Receipts:** It documents the items you purchase and also include cash register receipts, cancelled checks, invoices, credit card sales slips, etc.
- **Expense Receipts:** It shows the costs you incur to operate the business. It includes credit cancelled checks, invoices, card sales slips, petty cash slips for small purchases, etc.
- **Tax (employment, sales, etc.) Receipts:** Employment records, tax payment receipts, etc., must be kept for documentation purposes.

Best available Accounting software in India

Tally.ERP9

- Tally has launched the latest version, Tally.ERP 9.
- The software looks into an organisation's accounting, purchases, sales, payroll, and inventory.
- It is user-friendly as it is specifically designed for accounting purposes and keeps track of GST-related statutory changes.
- It detects errors in the GST filing and makes the required corrections.
- Each part of the process is made easier with this top accounting software.

KEYFEATURES INCLUDE:

- Journal & Ledger
- Trial balance
- Debit & credit notes
- P&L
- Balance sheet
- Cash flow, and more

PROFITBOOKS:

- It lets you create invoices, manage inventory, and track expenses and help you save time and manage finances efficiently.
- It also helps to allocate inventory to the right warehouse and purchase record can be maintained accurately.
- It allows tracking of each item when it is transferred from the warehouse to the logistics packaging.

KEYFEATURES INCLUDE:

- ✓ Tracking receivables
- ✓ Get detailed tax reports
- ✓ Managing online payments
- ✓ Creating unlimited customers& vendors
- ✓ Track inventory lifecycle

ZOHOBOKS

- It is designed for SMEs to send professional invoices to clients
- It ensures online payments efficiently.
- It is helping its users track expenses in real-time to control the cash outflow better.
- It is always at the user's disposal with every single transaction.

KEY FEATURES INCLUDE:

- ✓ Automatic bank feeds
- ✓ Online collaboration with customers
- ✓ Payment notifications
- ✓ API
- ✓ Time tracking
- ✓ Invoice tracking
- ✓ Inventory management
- ✓ Reconciliation

XERO ACCOUNTING

It offers three different plans:

- In the initial stage offers an early plan with limited operations.

- As the business continues, it offers the growing plan who have made their mark in the industry
- Finally, the established planwho are on the top of their industry.

KEYFEATURES INCLUDE:

- ✓ Asset management
- ✓ Dashboard
- ✓ Contacts Management
- ✓ Invoicing
- ✓ Business performance dashboard
- ✓ Bank connections &reconciliation
- ✓ Pay runs
- ✓ Quotes
- ✓ Inventory management
- ✓ Reporting
- ✓ Multi-currency accounting
- ✓ Projects
- ✓ Project management
- ✓ Bill payment
- ✓ Income tax solution
- ✓ Purchase orders

5.7 ERP -Enterprise Resource Planning

ERP systems have revolutionized businesses.

- Companies have saved a lot of money. The ERP system affects the company and also the supply chain, including customers, external entities, and suppliers.
- It is completely integrated software that integrates, streamlines, and manages all production and distribution-based business features.
- It ensures the management offinances, human resources, procurement,distribution, and other business departments.

- It keeps track of monthly sales, number of new customers, level of profit, tracking production, number of website visits, e-commerce PPC clicks, expenses, distribution of the products or services, and more.
- It helps to procure data at a centralized source.

What should you consider while using The ERP tools?

- It must meet your company's requirements.
- ERPs can be supplemented with modules to assist with system functions.
- It follows a rigid set of processes that may not allow the teams to update flows which causes issues in the procurement of applications.
- Some ERPs allow only a limited number of users and then collaborations get restricted.

What are the challenges with ERP systems?

- **Inappropriate package:** The best ERP may be difficult to find. A complex system can benefit a small or medium-scale company.
- **Internal conflicts:** It is important to implement an ERP in the first go. It may even take time to cooperate.

Which companies should buy ERP Systems?

It is more beneficial for medium-scale businesses and enterprises.

- **Manufacturing:** It provides complete transparency of their workflow in operations, costs, and management in sectors like aerospace and defense.
- **Wholesalers:** It helps in easy tracking.
- **Professional services companies:** It benefits companies that require high optimization for finances, project management, accounting, and sales.
- **Small-scale industries:** they can also gain benefits by using lightweight ERP.

Best ERP software's available-

SAP Business One ERP

- It is globally accepted software used by leading small and medium-sized companies. It is affordable, smart, end-to-end enterprise resource planning software.
- It streamlines the purchasing process from inventory to project management, finance to sales and admin, and everything in between.
- Deployed on-premise and on-cloud, it can render great flexibility to scale your startup as and when the need grows.
- It supports the new GST-Ready ERP and GST laws.

Tally ERP

- It has amazing features and functionalities.
- It is more than the Tally accounting software and is focused on managing inventory, GST, accounting, and other vital back-office functions.
- It is recommended for SMEs where data volume is not high and the business is not multinational.

Sage ERP

- It provides solutions for startups to small and medium-sized enterprises and has robust features and functionalities.
- It helps to streamline accounting and finance tasks, inventory, purchase, collaborate with finance and marketing and manage various business functions like sales, etc.

Marg ERP

- It is a leading provider that enables businesses with GST.
- It provides comprehensive business solutions like attendance software and payroll software, and empowers businesses to ride a wave of success into GST.

Epicor ERP

- It manages every part of your business. You can manage customers, leads, and contacts.
- It makes it easy to manage all aspects of scheduling, planning, and supply chain with a single ERP.
- It helps in keeping all leading manufacturing businesses to stay profitable.



Contact Us

Director

**National Institute of Food Technology Entrepreneurship and Management
(NIFTEM-K)**

Ministry of Food Processing Industries, Government of India

Plot No. 97, Sector 56, HSIIDC, Industrial Estate, Kundli, Sonapat, Haryana -131028

Phone No.: +91-130-2281000 +91-130-2219759/64, Fax No.:+91 - 4362 - 227971

Email: info@niftem.ac.in Web: www.niftem.ac.in

